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## **INTERNAL SERVICE FUND**

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the government and to other government units, on a cost reimbursement basis.

- Risk Management Fund – used to account for the costs of general liability, automobile liability, property liability and worker's compensation claims by the City under a self-insurance program.

**CITY OF TEMPE, ARIZONA**  
**INTERNAL SERVICE FUND**  
**RISK MANAGEMENT FUND**  
**BALANCE SHEET (Exhibit F-1)**  
**June 30, 2000**  
**with comparative totals for June 30, 1999**

	<u>2000</u>	<u>1999</u>
<u><b>Assets</b></u>		
Current assets:		
Pooled cash and investments	\$ 2,900,989	2,083,638
Total assets	<u>\$ 2,900,989</u>	<u>2,083,638</u>
<u><b>Liabilities and Fund Equity</b></u>		
Current liabilities:		
Accounts payable	\$ 86,758	127,556
Accrued expenses and claims payable	2,814,231	1,956,082
Total liabilities	<u>2,900,989</u>	<u>2,083,638</u>
Retained earnings:		
Unreserved	-	-
Total retained earnings	<u>-</u>	<u>-</u>
Total liabilities and retained earnings	<u>\$ 2,900,989</u>	<u>2,083,638</u>

The accompanying notes are an integral part of these combining and individual fund and account group financial statements.

**CITY OF TEMPE, ARIZONA**

**INTERNAL SERVICE FUND  
RISK MANAGEMENT FUND**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND EQUITY (Exhibit F-2)**

**For the fiscal year ended June 30, 2000  
with comparative totals for the fiscal year ended June 30, 1999**

	<u>2000</u>	<u>1999</u>
Operating revenues:		
Self insurance contributions	\$ 2,107,824	337,902
Total operating revenues	<u>2,107,824</u>	<u>337,902</u>
Operating expenses:		
Claims incurred	<u>2,107,824</u>	<u>337,902</u>
Total operating expenses	<u>2,107,824</u>	<u>337,902</u>
Net income	-	-
Fund equity at beginning of year	-	-
Fund equity at end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>

The accompanying notes are an integral part of these combining and individual fund and account g financial statements.

## CITY OF TEMPE, ARIZONA

INTERNAL SERVICE FUND  
RISK MANAGEMENT FUNDSTATEMENT OF CASH FLOWS (Exhibit F-3)  
For the fiscal year ended June 30, 2000  
with comparative totals for the fiscal year ended June 30, 1999

	2000	1999
Cash flows from operating activities:		
Cash received from other funds	\$ 2,107,824	337,902
Cash paid in settlement of claims	(1,290,473)	(666,540)
Net cash provided (used) by operating activities	<u>817,351</u>	<u>(328,638)</u>
Net increase (decrease) in cash and cash equivalents	817,351	(328,638)
Cash and cash equivalents, beginning of year	<u>2,083,638</u>	<u>2,412,276</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,900,989</u></u>	<u><u>2,083,638</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ -	-
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Increase (decrease) in accrued expenses	817,351	(328,638)
Net cash provided (used) by operating activities	<u><u>\$ 817,351</u></u>	<u><u>(328,638)</u></u>

The accompanying notes are an integral part of these combining and individual fund and account group financial statements.

## CITY OF TEMPE, ARIZONA

## RISK MANAGEMENT FUND

**SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL - BUDGET BASIS (Exhibit F-4)  
For the fiscal year ended June 30, 2000  
with comparative actual totals for the fiscal year ended June 30, 1999**

	<u>2000</u>			<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Operating revenues:				
Self insurance contributions	\$ 1,482,500	1,254,652	(227,848)	767,431
Total operating revenues	<u>1,482,500</u>	<u>1,254,652</u>	<u>(227,848)</u>	<u>767,431</u>
Operating expenditures:				
Claims incurred	1,482,500	1,254,652	227,848	767,431
Total operating expenditures	<u>1,482,500</u>	<u>1,254,652</u>	<u>227,848</u>	<u>767,431</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note: This schedule is prepared on a modified accrual basis that corresponds to the City's budget practices. It is not intended to present the results of operations in accordance with generally accepted accounting principles but to demonstrate legal budgetary compliance.

The accompanying notes are an integral part of these combining and individual fund and account group financial statements.